

**ORGANIZATION OF MISO STATES, INC.
ANNUAL MEETING
DECEMBER 11, 2003**

NOTE: DRAFT

Commissioner Susan Wefald, President of the Organization of MISO States, Inc. (OMS), called the Annual Meeting of the OMS to order in Carmel, IN at approximately 11:00.

The following directors were present for the meeting:

Susan Wefald, North Dakota	Kevin Wright, Illinois
Steve Gaw, Missouri	Laura Chappelle, Michigan
Diane Munns, Iowa	LeRoy Koppendray, Minnesota
Greg Jergeson, Montana	Gary Hanson, South Dakota
Robert Garvin, Wisconsin	David Hadley, Indiana

Proxies for the following directors were established:

Talina Mathews, Kentucky for Gary Gillis
Tim Texel, Nebraska for Louis Lamberty
Robert Young, Pennsylvania for Terence Fitzpatrick

The directors and their proxies listed above established the necessary quorum for the meeting of at least eight directors being present.

Other parties were also present at the Annual Meeting.

Agenda Item 1, Approval of Minutes of the November 13, 2003 Meeting

It was moved and seconded that the minutes of the November 13, 2003 OMS Board of Directors meeting be approved as distributed. The motion was approved.

Agenda Item 2, Review of Actions at the November 25, 2003 Executive Committee Meeting

Commissioner Wefald listed the agenda items discussed at the November 25, 2003 OMS Executive Committee meeting.

Agenda Item 3, Welcome from Paul Hanaway, MISO Vice-Chair

Mr. Paul Hanaway, Vice-Chair of the Midwest Independent System Operator, Inc. (MISO) Board of Directors, extended a welcome to the participants and observers at the OMS Annual Meeting.

Agenda Item 4, Treasurers Report

Commissioner Laura Chappelle, Treasurer of OMS, summarized the contents of the written Treasurers Report for November 2003 that had been previously distributed.

Commissioner Chappelle then asked that all requests to OMS for reimbursement of travel expenses associated with the Annual Meeting be submitted by Christmas.

Agenda Item 5, Update on 501[c] 4 Application

Commissioner Wefald reported that OMS' application for 501[c] 4 status has been filed with the Internal Revenue Service, but has not yet been approved.

Agenda Item 6, Reports from all Working Groups on Current Issues

Commissioner Wefald stated that work needs to begin this month on the comments OMS will submit to the Federal Energy Regulatory Commission (FERC) concerning the MISO market tariff filing and the Large Generator Interconnection proceeding. As a preliminary step in that process, each chair of an OMS working group then presented a brief summary of the list of issues their working group has identified to date in the market tariff and large generator interconnection dockets. These presentations were based upon a written list of issues previously prepared by each working group, which were distributed at the Annual Meeting. The following working group chairs (or their designees) gave presentations:

Randy Rismiller, Pricing
Mike Proctor, Congestion Management and FTR Allocation
Talina Mathews (for Jan Karlak), Resource Adequacy and Capacity
Markets
Nancy Campbell, Market Rules and Implementation Timelines
Dave Hadley, Market Monitoring and Market Power Mitigation
Kevin Wright (for Bob Nelson), Seams Issues
Klaus Lambeck, Transmission Planning and Siting

The written handouts from each working group are attached to these minutes.

Agenda Item 7, Plans Report from the Executive Director

Mr. Bill Smith reported that he has signed an employment contract as Executive Director with OMS, and will begin his employment in that position on January 2, 2004. Mr. Smith intends to hire an office manager soon so that the OMS Staff can begin to handle the duties now delegated to individual states within the OMS.

Agenda Item 8, Report from the Nominating Committee

Commissioner Bert Garvin reported that the OMS Nominating Committee (Commissioner Garvin, Commissioner Jergeson and Commissioner Judy Jones of Ohio) had met, and recommended the following slate of candidates for OMS Officer positions for 2004:

President: Susan Wefald
Vice-President: Steve Gaw
Treasurer: Laura Chappelle
Secretary: Robert Garvin
Executive Committee: Diane Munns

Commissioner Garvin noted that, under the OMS bylaws, the OMS secretary in 2004 would become the OMS Vice-President in 2005. All other officers' terms will expire at the end of 2004.

The names of Commissioner Greg Jergeson, Commissioner Judy Jones and Commissioner Kevin Wright were then brought forward as nominees to serve on 2004 OMS Nominating Committee. Commissioner Jergeson was proposed to chair this committee.

Agenda Item 9, Election of Officers

Commissioner Wefald asked if there were any additional nominations for individuals to serve as OMS officers in 2004. Hearing none, it was moved and seconded that a unanimous ballot be cast for the candidates nominated for officer positions by the Nominating Committee in 2004. The motion was approved.

Commissioner Wefald asked if there were any additional nominations for individuals to serve on the OMS Nominating Committee in 2004. Hearing none, it was moved and seconded that a unanimous ballot be cast for the candidates nominated to serve on the OMS Nominating Committee in 2004. The motion was approved.

Members of the OMS Board of Directors then expressed thanks for the hard work of Commissioner Wefald and Commissioner Wright in their OMS officer positions in 2003.

Agenda Item 10, Grandfathered Agreements

Commissioner Wefald raised the question of whether issues involving grandfathered agreements should be placed within the scope of the FTR Working Group. It was then moved and seconded that grandfathered agreements be placed under the scope of the FTR working group. In response to a question from Commissioner Munns, the chair of that working group, Mr. Mike Proctor, agreed that this action was appropriate. The motion was then approved.

Commissioner Wefald then raised the question of whether OMS should hold two or three workshops on the subject of grandfathered agreements in the next few months, in conjunction with FERC Staff. Commissioner Wefald explained that a motion was necessary to allow Mr. Bill Smith to begin discussions with FERC on whether these workshops could be held. It was then moved and seconded that OMS hold several workshops on grandfathered agreements in the upcoming months, with FERC Staff presenting information at the workshops. The motion was approved.

Agenda Item 11, FERC Ordering AEP into PJM

This item concerned FERC's recent directive ordering American Electric Power into the PJM Interconnection. Commissioner Wefald suggesting referring the question of whether OMS should get involved in this matter to the OMS Executive Committee. There was no disagreement expressed with this approach.

Agenda Item 12, Presentation on MISO Geographical State Phase-in of Markets

Mr. Jim Torgeson, President and CEO of MISO, discussed his recent remarks where he had raised the possibility of phasing in the MISO market start-up over several geographic areas. Mr. Torgeson stated that there should be a preliminary analysis of this idea

completed in the next several weeks. However, there is now no timeline for the phased implementation, as MISO is still looking for feedback on the idea itself.

Agenda Item 13, Announcements

The next OMS Board of Directors meeting will be on January 12, 2004 at 2:00 central time. The next OMS Executive Committee meeting will be on December 30, 2003 at 2:00 pm central time.

It was moved and seconded that the OMS Annual Meeting be adjourned. The motion was approved at approximately 12:30.

Respectfully submitted by Steve Gaw, Secretary